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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 6, 2013

John Brems
Herriman City
13011 South Pioneer Street
Herriman, Utah 84096

Subject: Comments from Herriman City, Staker and Parsons Companies, Beef Hollow Mine, M/035/0042, Salt Lake County, Utah

Dear Mr. Brems:

The Division of Oil, Gas and Mining (Division) received copies of your correspondence dated February 7, 2013, to Oldcastle Materials, Inc., and of Oldcastle's response concerning the Beef Hollow quarry. I am writing to clarify the status of permits and reclamation sureties being held to ensure reclamation of mines in the area.

Historically, several operators have conducted surface mining operations in this area and have removed landscape boulders. The various Notices of Intention to Commence Small Mining Operations (Notices) were ultimately transferred to Staker and Parson Companies which submitted and still maintains reclamation sureties for these operations even though they have all been engulfed by the Beef Hollow large mine, permit number M/035/0042, also operated by Staker and Parson Companies. The small mine Notices in this area are:

Permit Number	Mine Name	Surety Amount
S/035/0023	CMC Point West Deco 1	\$25,200
S/035/0033	CMC Point West Deco 2	\$25,200
S/035/0040	Beef Hollow	\$25,200
S/035/0043	CMC Point West Deco 3	\$25,200

In addition to the sureties for these small mines, the Division holds a reclamation surety of \$1,170,480 for the Beef Hollow large mine. This amount was calculated based on average costs per acre for reclaiming 183 acres, plus revegetation costs for nine acres.



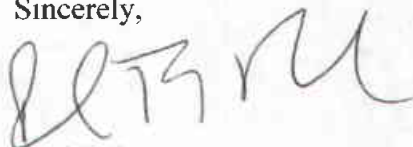
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John Brems
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The Division has not yet approved the Notice of Intention to Commence Large Mining Operations but has allowed Staker to continue operating based on receipt of the reclamation surety and compliance with the operation and reclamation practices requirements in rules R647-4-107 and R647-4-111. When the Division is almost ready to approve the large mine plan, public notice will be published in Salt Lake County newspapers, and a copy will be mailed to Salt Lake County Planning and Development Services. The rules do not require that a city be notified, but we routinely do so when a mine operation is in an incorporated area. The Division would then accept public comments and would hold a hearing if a protest was received.

While the Division has certain requirements based on the Mined Land Reclamation Act, operators are still responsible to comply with applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

Please let me know if you have any questions or concerns about this letter. I can be reached at 801-538-5261 or by e mail at paulbaker@utah.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PB' followed by a stylized flourish.

Paul Baker
Minerals Mining Manager
Minerals Regulatory Program

PB: eb

cc: Mike Dalley, Staker and Parsons

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